

**Assembly Bill No. 2631**

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Passed the Assembly August 28, 2006

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*Chief Clerk of the Assembly*

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Passed the Senate August 23, 2006

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*Secretary of the Senate*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2006, at \_\_\_\_\_ o'clock \_\_\_\_M.

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*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to add Section 14105.75 to the Welfare and Institutions Code, relating to Medi-Cal.

## LEGISLATIVE COUNSEL'S DIGEST

AB 2631, Laird. Medi-Cal: injectable drugs: utilization.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Services and under which qualified low-income persons receive health care benefits, including prescription drug benefits.

Existing law allows the department to impose utilization controls on certain Medi-Cal benefits, including prescription drug benefits.

Existing law allows the department to enter into contracts for fiscal intermediary services in connection with processing the payment of claims submitted by Medi-Cal providers.

This bill would require the department, with respect to a drug product in an injectable form that is not administered by the patient, to develop and publish a medical benefit drug utilization policy within 180 days of being notified by the manufacturer of approval of the product by the federal Food and Drug Administration, and publish the policy in the Medi-Cal provider bulletin immediately following that 180-day period. The bill would provide that, if the department is unable to complete and publish the policy within that period, the department shall, until completion of the policy, allow providers to use the utilization standards approved by the federal Food and Drug Administration that are contained in the official package circular or insert for the product when the department reviews a provider's submission for utilization of the product. The bill would require the department to allow the product to be billed and reimbursed using a miscellaneous billing code until the permanent code is assigned and published. The bill would require the department to evaluate the necessity of utilization controls, and publish all utilization controls in both the final drug utilization policy and the Medi-Cal provider bulletin. It would further require the department to ensure that the fiscal intermediary enters into the Medi-Cal

database the code assigned to the drug product within a specified period.

*The people of the State of California do enact as follows:*

SECTION 1. Section 14105.75 is added to the Welfare and Institutions Code, to read:

14105.75. (a) In order to ensure that drug products in an injectable form that are not administered by the patient are available to Medi-Cal beneficiaries pursuant to federal law, the department shall do all of the following with respect to any such drug product:

(1) (A) Develop and publish a medical benefit drug utilization policy within 180 days of being notified by the manufacturer of approval of the product by the federal Food and Drug Administration. The policy shall be published in the Medi-Cal provider bulletin that immediately follows that 180-day period. The effective date of the drug utilization policy shall be no later than the publication date of the bulletin.

(B) If the department is unable to complete and publish the policy within the period specified in subparagraph (A), the department shall, until completion of the utilization policy, allow providers to use the utilization standards approved by the federal Food and Drug Administration that are contained in the official package circular or insert for the product when the department reviews a provider's submission for utilization of the product. The department shall allow the product to be billed and reimbursed using a miscellaneous billing code until the permanent code is assigned and published pursuant to paragraph (3).

(2) Evaluate the necessity of utilization controls, and publish all utilization controls in both the final drug utilization policy and the Medi-Cal provider bulletin.

(3) Ensure that the fiscal intermediary enters into the Medi-Cal database the code assigned to the product within 60 days of the date the code was assigned to the product.

(b) Nothing in this section shall be construed to affect the department's authority to require a provider to obtain prior authorization for dispensing or administering an injectable drug.

Approved \_\_\_\_\_, 2006

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*Governor*